



January 2002

Dear Member:

Recently, CareFirst BlueCross BlueShield (CareFirst) announced an agreement to merge with WellPoint Health Networks, Inc. (WellPoint) of California, a national health care company. In response to questions that you and other CareFirst customers may be asking, following is a brief summary of what this change will mean to you.

How will this merger affect you now?

We are confident that the merger will benefit our customers, our members, our partners in health care delivery and our community in many important ways. For the near term, over the next 18 months to two years, you will see no changes. The proposed transaction requires regulatory and legislative approvals in the jurisdictions where CareFirst operates. During that time, CareFirst will conduct business as usual and will continue to strive to give our customers the excellent quality and service you deserve.

In the future, we believe CareFirst's merger with WellPoint will benefit our members, subscribers, business accounts and the communities we serve, including:

- A local presence – You can be assured that your health coverage under the trusted Blue Cross Blue Shield name will continue to be here for you and your family when you need it:
 - CareFirst and WellPoint share a common belief and commitment that the best health care is locally managed and delivered through the quality health professionals and institutions that serve our community.
 - This merger ensures continuation not only of local headquarters and employment in each jurisdiction where our affiliates operate, but also adds a new headquarters for WellPoint's Southeast Region.
- Better service and products – With access to more money to invest in improved computer systems and other technologies, we can process claims quicker and reimburse medical care providers for their services to members more efficiently:
 - Tapping our partner's innovative products, CareFirst also will offer members additional, new products to meet their needs.
- Greater stability – The economies and efficiencies that come from aligning with a national health care company offer benefits that can be passed along to you by stabilizing care costs,

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slowing the rise in premiums and building the broad network of doctors and hospitals required to serve your health care needs.

- Giving back to the community – Above all, the \$1.3 billion charitable trusts that will result from this merger can be used by your elected leaders to address health care needs for citizens in Delaware, Maryland, and Washington, D.C.:
 - And, CareFirst will remain a committed, contributing corporate citizen in all of the communities we serve.

For additional information about the CareFirst BlueCross BlueShield merger, we encourage you to visit our web site at www.carefirst.com, look for "Merger News" where new information and regular updates are available. We thank you for choosing CareFirst for your health care benefits, and we look forward to continuing to serve you.

Sincerely,

A handwritten signature in blue ink, appearing to read "William L. Jews", with a long, sweeping horizontal line extending to the right.

William L. Jews
President and Chief Executive Officer